



Brownfields Cleanup Revolving Loan Fund Pilot *Duquesne, PA*

Outreach and Special Projects Staff (5105)

Quick Reference Fact Sheet

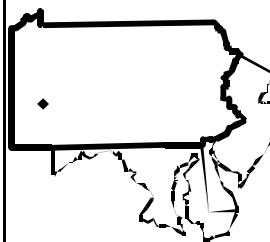
EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

The City of Duquesne is located in the Monongahela River Valley of Allegheny County, Pennsylvania. The economy of this region is based on steel manufacturing. Broad economic changes, including increased international competition in the steel industry, have led to substantial job losses and business closures. As a result, many formerly active industrial sites have been left underused, idle, or vacant. The City of Duquesne has been the most severely affected City in the Monogahela River Valley. The City has the largest amount of abandoned acreage in the region, with more than 300 acres of brownfields. The population has declined to 8,500 in 1990, from a high of 20,000 in 1940. More than a quarter of the remaining residents are at or below the poverty level and 14.7 percent are unemployed. Duquesne's population is one-third minority.

The expected benefits of brownfields redevelopment in Duquesne include cleaning up environmentally compromised sites, creating jobs and opportunities for entrepreneurship in disadvantaged neighborhoods, and increasing tax revenues. Duquesne, along with Clairton, and McKeesport, received a Brownfields Assessment Demonstration Pilot in 1999.

PILOT SNAPSHOT



Duquesne, PA

Date of Announcement:
July 2000

Amount: \$500,000

BCRLF Target Area:
City of Duquesne

Contacts:

City Manager
(412) 469-3770

Region 3 BCRLF
Coordinator
(215) 814-3246

Visit the EPA Region 3 Brownfields web site at:
www.epa.gov/reg3hwmd/brownfld/hmpage1.htm

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields>

BCRLF OBJECTIVES

The objectives of the City's brownfields program include eliminating blight, creating jobs, increasing the tax base, and curtailing the exploitation of farmland and the proliferation of urban sprawl.

FUND STRUCTURE AND OPERATIONS

The Redevelopment Authority of the City of Duquesne (RACD) will be the lead agency and serve as fund manager. The site manager has not been designated.

Duquesne will contribute in-kind services to maximize loan value. The City expects to make two or three loans of \$100,000 to \$250,000 to prospective landowners or developers in the three-year pilot period. The term of each loan will range between two and seven years. The interest rate will be determined on a loan-specific basis. Origination fees for the loans will range from zero to two percent. Ten percent of a project's loan value will be retained by the City until the project has been satisfactorily completed.

BCRLF loan recipients will be required to participate in the Pennsylvania Land Recycling Program.

LEVERAGING OTHER RESOURCES

Many of the brownfields targeted by the Duquesne BCRLF are in state-designated Keystone Opportunity Zones and/or Enterprise Zones. Available tools for brownfields redevelopment in these areas include, tax abatements on real estate, income tax, sales and use taxes, and corporate income taxes. Other possible sources of funds are the existing EPA Brownfields Assessment Demonstration Pilot grant fund, Allegheny County and Pennsylvania Department of Community and Economic Development's loan and grant programs, and local banking and lending institutions.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
